YALINETWORK

DESIGN DRIVEN ENTREPRENEURSHIP
Lesson 2 - Value Proposition

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Transcript

[TEXT: Young African Leaders Initiative Online Training Series]

[TEXT: Mandela Washington Fellowship Institute Course]

[TEXT: Design-Driven Entrepreneurship]

Hello again. I'm Rich Nadworny and this is Design-Driven Entrepreneurship.

In this lesson, we'll be using your results from your observational techniques to get to your Value Proposition and Minimum Viable Product.

So, how did observing and interviewing go? Was it hard or easy? Did you learn something new,or did it make you think of a different way of approaching a challenge? Don't worry if it was difficult; design takes practice, that's why it's called a discipline. Remember, you'll be doing this again and again in a design-driven business.

It's not just at the beginning: You use similar techniques to test and get feedback throughout your process. Also, you may use this to figure out what your new product is. You'll use this again as your business matures, both as it relates to new initiatives and for improving internal operations like HR or accounting. Hopefully you found some unexpected insights. We're going to use your findings in two ways in the Business Model Canvas.

First, we're going to fill in your Value Proposition. You'll need to answer these questions: What's your big idea? What needs does it meet? Why is it better or different than what's out there today? These are big questions. Luckily, we have a very interactive tool to help us.

We call it the quick pitch. It helps you define and tell your idea to someone in a minute. Answer these questions in order to create a statement that sounds great. When you give your pitch, you want the people listening to say, "Tell me more!" Take a piece of paper and write down these questions. Leave enough room for multiple answers.

- Target user: Who is this for?
- User needs: What problem are you solving?
- Product name: What are you calling your big idea?
- Product type/market category: In what category does your big idea belong?
- Is it fashion, technology, transportation or a packaged good?

- One key benefit: How does it solve the problem?
- Competition: Who are you going up against?
- Unique differentiator: What makes this big idea stand out? Why is it innovative?

ADDENDUM #1

QUICK PITCH

Great ideas deserve to happen. Here is your chance to convince the world.

Use this template to create a quick pitch that captures the essence of your concept and explains its usefulness and appeal. Play with it, trying out different combinations and phrasing until you land on one you really like.

"For _____ who needs to
        target user

_____ ,
user's need

_____ is a
product/service name

_____ that
product type / market category

_____ . Unlike
one key benefit

_____ , it _____ ."
competition   unique differentiator

Madlib inspired by David Gray. More info at:
http://gamestorming.com/games-for-design/elevator-pitch/

empatico

Take some time to answer these questions to help you create your pitch. Then practice the quick pitch on your target audience. How did it go? Did they understand your idea? Were they interested in what worked? What didn't? You can adjust your answers as necessary to create your most effective pitch.

Here's an example of a pitch I can imagine the airline JetBlue delivering when it started: For frequent travelers who have tight budgets, JetBlue is a low-cost airline that feels classy. Unlike other budget airlines and buses, our flights are clean, on time and fun.

Let's go back to your observational information. You can use your findings to develop the right side of the Business Model Canvas, which deals with your customers. You can start by segmenting your customers.

When you segment your customers, you might find that each segment has different needs. For your startup, that might mean different products or service variations, different relationships, or different distribution methods.

In Lesson 1, we talked about observing city bike riders. Maybe one customer segment are parents biking with their child, while another segment are elite cyclists. Both might be your targets, but they have very different needs. From your observational data and your own experiences, you can create "personas" to define your different customer segments.

Lots of businesses use personas. A persona is a composite picture of a group of people with similar experiences. For your personas, the main parts you want to identify are: Who are they? You want

demographic descriptions and backstory. What are they trying to achieve? What are their motivations? What are their frustrations? What experience are they striving for? What are some of the emotional, rational and cultural factors influencing this experience?

ADDENDUM #2

Here's a persona example we're calling "John": John's trying to do the right thing for climate change by biking to work. He's trying to set a good example for his kids and get exercise at the same time. On the other hand, he's worried it's so dangerous to bike. It's also not very convenient at times. He feels like he has to make poor choices. So "to bike or not to bike" can be a tough choice for him at times. He seeks to be conscientious in other ways: He shops at the local organic store. He's very involved in some cyclist online communities. And he's an engineer, so he likes building things.

We can learn several things from personas. For example, some of the information we get from John's persona is that he likes doing things himself. So, we could automate a lot of our product rather than needing to have a more personal, high-touch relationship with John.

The persona also helps determine which distribution channels we should focus on. Someone like John probably wants both an online service and some highly localized touch points.

Your next task in designing your enterprise has two different parts. First, fine-tune your quick pitch. Try it out on several people, get feedback and revise it. Second, create your customer personas, one or two at least. When you've done that, fill out the right side of the Business Model Canvas. What type of relationships will you have with your customers? What's the best way of reaching them?

So where are we in the human-centered design process? We've gone out and gathered information, and now we're narrowing and synthesizing that information to create insights about your customer and our startup. In the next lesson, we'll be going out yet again. See you shortly. Have fun.

If you get stuck, ask someone — anyone — to look at what you're doing and give you a reality check. It will help.

Go to www.yali.state.gov for more information and resources related to this course.

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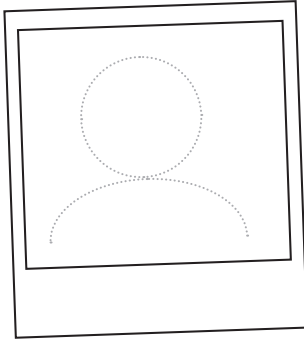product/service name

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Madlib inspired by David Gray More info at:
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Persona Template

Persona type ....

Name ....

Age ....

Location ....

Single/Married/Family ....

Occupation ....

Feel free to doodle!

Back story
Tell us a bit about their lives: what is their situation? Who are they?

Motivations
What are they trying to achieve? What do they hope to gain? How will that improve something in their lives

Frustrations
What are their key pain points? What is getting in the way of them having an optimal experience? What barriers do they face?

Their ideal experience
Tell story about their behavior while using a service, product or site.
Descibe their attitudes, emotional, rational and cultural

Quote
Capture the essence of this persona in one or two sentences, as if it came directly from the person's mouth.

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